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Prepared By: Mike Swift

Approved By: Felisa Cox

RESOLUTION AUTHORIZING AGREEMENTS WITH THE SHELBY COUNTY SCHOOLS AND THE MEMPHIS CITY SCHOOLS BASED ON THE TENNESSEE STATE SCHOOL BOND AUTHORITY'S ISSUANCE OF QUALIFIED SCHOOL CONSTRUCTION BONDS AND IT'S LOAN IN AN AMOUNT NOT TO EXCEED \$56,720,000 TO SHELBY COUNTY TO BE PASSED THROUGH TO THE SHELBY COUNTY SCHOOLS AND MEMPHIS CITY SCHOOLS FOR SPECIFIED CONSTRUCTION PROJECTS AND PROVIDING THAT LOAN REPAYMENTS WILL BE ALLOCATED FROM COUNTY'S FUTURE CAPITAL APPROPRIATIONS TO THE SHELBY COUNTY SCHOOLS AND MEMPHIS CITY SCHOOLS. SPONSORED BY COMMISSIONER J. W. GIBSON.

WHEREAS, Pursuant to the Tennessee State School Bond Authority Act, Sections 49-3-1201, et seq., Tennessee Code Annotated, as amended (the "Act"), the Tennessee State School Bond Authority (the "Authority") is authorized to issue its bonds or notes ("Qualified School Construction Bonds") to make loans to any county, metropolitan government or incorporated city or town, in the State to provide funds to acquire land for and to construct, repair, rehabilitate, improve or equip schools for such local governments, if the same qualifies to be financed through the issuance of "qualified school construction bonds" as defined in Section 54F of the Internal Revenue Code of 1986, as amended (the "Code") ("Qualified School Construction Bond Projects"); and

WHEREAS, The Authority has determined that it will issue its Qualified School Construction Bonds, Series 2009 (the "Bonds"), for the purpose of making loans to Shelby County, Tennessee (the "County") on behalf of the Shelby County Schools and Memphis City Schools, in addition to other cities and counties in the State, to fund Qualified School Construction Bond Projects; and

WHEREAS, The County has applied for a loan from the Authority and the County's application has been approved by the Authority for the purpose of receiving funds to acquire any land, if applicable, and to construct, repair, rehabilitate, improve and equip public school facilities in the County, including projects relating to the Shelby County School's Elmore Park Middle School replacement and various Memphis City School projects, all as more particularly identified in the Loan Agreement (as hereinafter defined) (collectively, the "Projects") which are each a Qualified School Construction Bond Project; and

WHEREAS, Under the Act, the County is authorized to enter into a loan agreement with the Authority to finance the Projects and by separate resolution the County has authorized such loan agreement; and

WHEREAS, It is hereby determined to be in the best interests of the County to enter agreements with the Shelby County Schools and Memphis City Schools to require that each school district make the same representations, covenants and agreements with Shelby County as made by Shelby County in the Loan Agreement with The Tennessee School Bond Authority; and

WHEREAS, The agreement with each respective school district requires that loan payments under the Loan Agreement will be reimbursed to the County from future capital appropriations to the Shelby County Schools and Memphis City Schools and each school district will pay its respective share of administrative costs required by the Loan Agreement.

NOW THEREFORE, BE IT RESOLVED by the Board of County Commissioners of Shelby County, Tennessee, that the attached agreements with Shelby County Schools and the Memphis City Schools are hereby approved and the County Mayor is authorized to execute these agreements.

BE IT FURTHER RESOLVED, that the County Mayor and Director of Administration and Finance be and are hereby authorized to issue their warrant or warrants to the extent of appropriations made in this resolution, pursuant to the terms and conditions of the Loan Agreement with Authority and to take proper credit in their accounting therefore.

A C Wharton, Jr.
County Mayor

Date_____

ATTEST:

Clerk of County Commission

ADOPTED_____